

REAL ESTATE COMMISSION
Professional & Vocational Licensing Division
Department of Regulatory Agencies
State of Hawaii

MINUTES OF MEETING

Date: Thursday, April 29, 1971

Place: Board Room, Department of Regulatory Agencies, 1010 Richards Street, Honolulu, Hawaii

Present: Herbert S. Isonaga, Vice Chairman
John D. Texeira, Member
Hiromu Yamanaka, Member
William H. C. Young, Member

Sidney K. Ayabe, Deputy Attorney General
Dick H. Okaji, Licensing Administrator
Yukio Higuchi, Executive Secretary

Mrs. Mary Savio, Hawaii Association of Real Estate Boards and Honolulu Board of Realtors
Mrs. Iris Riber, Real Estate Association of Hawaii
James K. Trask, Jr., President of Hawaii Association of Real Estate Boards and Honolulu Board of Realtors
George Morris, Jr., Executive Vice President of Honolulu Board of Realtors
Dr. Edward Laitila, College of Business Administration, University of Hawaii

Absent: Douglas R. Sodetani, Chairman
Louis Cannelora, Member
Harold J. Silva, Member

Call to Order: There being a quorum and in the absence of Chairman Sodetani, Vice Chairman took the Chair and called the meeting to order at 1:20 p.m.

Director's Appearance: The Director of Regulatory Agencies, Edwin H. Honda, appeared to apprise the Commission of the serious repercussions of the February 1971 real estate license examination. He presented his observations and made suggestions as to the general course the Commission can follow in trying to avoid reoccurrence of the past experience. He requested that all complaints in reference to the examination be forwarded to his office for response. He also asked that the Commission give him some direction in developing future real estate license examinations. Mr. Honda left the meeting after thanking the Commission for the opportunity to speak.

Reading of Minutes: The minutes of the March 25, 1971 meeting were corrected by amending paragraph 4, under the subheading "Violet C. King's Application for Real Estate Broker License" to read:

"Young moved and Isonaga seconded to deny issuance of a broker license to Violet C. King pursuant to Section 467-8(2),

Hawaii Revised Statutes, for the following reasons:

1. Her broker license was revoked twice.
2. After being served her revocation notice of April 26, 1968, she refused to comply with the revocation and continued her practice and refused to surrender her license until two years later when the Court issued the Order Granting Permanent Injunction.
3. Demonstrating that she does possess good character and reputation for honesty, truthfulness, and fair dealing.

Upon motion, the minutes were approved as corrected.

February 1971
Real Estate
Examination
Rules
Violation:

The Commission had received a report dated April 2, 1971 from Mrs. Bernadette Gulisao, Acting Supervisor of the Examination Branch, reporting possible violations of the Rules Governing the Real Estate Examination by Miss Charlotte Gertrude Joloff and Edwin P. Auld, Jr., at the February 1971 real estate examination. Miss Joloff, salesman candidate, had scribbled notes on a bookmatch cover, and Auld, broker candidate, had scribbled 11 examination questions on his examination notice envelope.

Miss Joloff appeared before the Commission to explain her conduct at the examination. Upon motion, the Commission decided to excuse her conduct with a verbal warning against similar conduct at future examination and directed that her examination be corrected in her presence immediately.

Edwin Auld, Jr., appeared before the Commission to explain his conduct at the examination. Upon motion, the Commission decided to invalidate Auld's examination without grading, but he shall be allowed to sit for the June examination without payment of application and examination fee. Auld was verbally informed of the Commission's decision and advised that he would receive official notice of the Commission's action by letter.

The Commission directed that staff spell out in the Rules Governing the Real Estate Examination that no note taking will be permitted.

Real Estate
Education in
Hawaii:

The Chair deviated from the prepared agenda to report to the Commission that on April 22, 1971 he and William Young met with Dr. Edward Laitila and members of real estate industry to discuss the establishment of a real estate education in Hawaii.

James K. Trask, Jr., President of the Hawaii Association of Real Estate Boards and Honolulu Board of Realtors, and Wesley Park, Administrator of Small Business Administration of the University of Hawaii, were present at the invitation of the Commission to discuss the Commission's future plans in the area of real estate education.

Dr. Laitila distributed copies of his April 29, 1971 proposal for "Professional Development of Real Estate Licensees In Hawaii." The purpose of his proposal is to assist the Commission in establishing a comprehensive real estate education program in Hawaii designed to meet the requirements embodied in recently enacted legislation.

Sidney Ayabe was directed by the Chair to draft a project agreement authorizing Dr. Laitila to conduct his study for the development and establishment of a comprehensive educational program. Ayabe was requested to submit his draft of the project agreement to the Educational Task Force Committee as soon as possible.

Business Out
of Minutes:

Educational Task Force Committee Report

Committee Chairman William Young reported that he had met with Prof. Don Bell to discuss finalizing Project No. 1.

Prof. Bell distributed copies of some statistical information he put together on Project No. 1. He estimated that he could present a rough draft report of Project No. 1 in 3 weeks, but the final report for publication would require a longer time to complete. The Chair advised Prof. Bell that the final report was long overdue and the Commission is losing its patience.

The Executive Secretary was directed to get Project Agreements Nos. 2 and 3 in the final form for execution.

Violet C. King, Applicant for Real Estate License

The Executive Secretary reported that a notice denying issuance of real estate broker license was mailed to Mrs. King on April 27, 1971. In response to the letter Mrs. King appeared before the Commission and requested that her past record be made available at the time her hearing comes up. When Mrs. King began to argue the merits of her past, the Chair advised her that the Commission had considered her past and had decided to deny her application. She was further advised that she is entitled to a hearing and should she desire a hearing, she was requested to submit her demand for a hearing within the required time.

Recovery Fund Claims Against the Estate of Harry Bates Len

The Executive Secretary reported that notice was received from the Attorney General's Office requesting warrant checks in the total sum of less than \$12,000 be processed for payment to the four plaintiffs against the estate of Harry Bates Len as ordered by the Court.

Upon motion, the Commission directed that staff makes the payments in the amounts ordered by the Court.

Investigations: Al Ching, Inc.

The Executive Secretary reported that the case folder on Al Ching, Inc., was sent to the City Prosecutor's Office on April 6, 1971 for prosecution for alleged unlicensed activity, but on April 15, 1971 the case folders were returned with a request for further information and evidence.

Upon motion, the Commission decided to hold this case in abeyance and a copy of the amendment clarifying the "owner" and "power of attorney" exception be sent to respondent.

Kuakini Investment, Inc.

The Executive Secretary reported that the case folder on Kuakini Investment, Inc., was sent to the City Prosecutor's Office on April 6, 1971 for prosecution for alleged unlicensed activity, but on April 15, 1971 the case folders were returned with a request for further information and evidence.

Upon motion, the Commission decided to hold this case in abeyance and a copy of the amendment clarifying the "owner" and "power of attorney" exception be sent to respondent.

RE-423 Royalty Enterprises, Inc.

Complaint Review Committee Chairman Isonaga reported that a second informal meeting was held on April 22, 1971 and the Committee found no intent to violate the real estate license law and rules. Isonaga recommended that no further action be taken against Auyong, Matsui, and Shimabuku, but a letter of reprimand be sent to Moses Chung for receiving commission directly from Royalty Enterprises, Inc., and not through his broker. Said reprimand to be made a part of Chung's license file.

Upon motion, the Commission accepted with approval the recommendation of Isonaga and directed that a letter of reprimand be sent to Chung.

RE-433 Shirley Olds Realty

Complaint Review Committee Chairman Isonaga reported that the Committee found that the IPRC between the Coynes and Derricks dated October 15, 1969 became null and void upon the Coynes receiving a Notice of Default from the Pitts dated January 29, 1970 and execution of a Release dated February 12, 1970 by Hale H. Hitchcock, attorney-in-fact for the Coynes. Consequently, the Committee felt that the Commission has no grounds to pursue the charges against Shirley Olds Realty. Isonaga recommended that the Commission take no disciplinary action against Shirley Olds Realty and advise the Coynes to seek private counsel to get relief from enforcement of their Agreement of Sale should they feel that they were not in default.

Upon motion, the Commission found no violation against Shirley Olds Realty and directed that the Coynes be advised to seek private counsel to get relief from enforcement of the Agreement of Sale should they feel that they were not in default.

RE-440 Russell G. Lewis, dba Lewis Realty

Complaint Review Committee Chairman Isonaga reported the Committee found the following:

1. About 3 or 4 months prior to entering the October 31, 1970 DROA contract, complainant on his own had obtained an old

brochure which mentioned the eye-level oven and outdoor electrical outlet as quality features;

2. Developer had printed and made available a new revised brochure in August 1970, which did not mentioned the eye-level oven and outdoor electrical outlet; and
3. Prior to entering into the DROA contract to purchase the home, complainant had inspected the model home which did not have an eye-level oven nor the outdoor electrical outlet.

Since the new brochure was available to complainant, and since complainant had viewed the model home prior to entering the DROA contract, the Committee found no intent on the part of Russell Lewis to defraud or misrepresent the facts.

Upon motion, the Commission accepted the findings of the Complaint Review Committee and found no violation against Russell Lewis dba Lewis Realty and considered the case closed.

RE-436 Tommy T. Jitchaku

Upon motion, this matter was deferred to the next meeting.

RE-425 Masa Shintani

Upon motion, the Commission decided to set this matter down for a formal hearing. The Chair appointed Douglas Sodetani and William Young as hearing officers.

New Business: Licensing:

<u>Corporation</u>	<u>Principal Broker</u>
Hawaiian Paradise Park Corp. 2207 Kalakaua Ave., Honolulu	Trygve Stave
Ace Realty, Inc. 1149 Bethel St., Ste 412	Thomas M. Arashiro
Gold Coast Realty, Inc. Hamilton Bldg., Rm 207, Kailua-Kona	Welton E. Avery
Kazuo Totoki, Limited 705 S. King St.	Muriel K. Kashiwa
Mariner's Realty, Inc. 7192 Kalaniana'ole Hwy, Ste 205B	Adrienne R. Kaye
MacDonald and Associates Realty, Inc. 1441 Kapiolani, Ste 805	Frances R. MacDonald
<u>Branch Office</u>	<u>Broker-in-Charge</u>
Ala Kai Realty, Inc., BR-1 211 Banyan Dr., Hilo	Yukio Takeya
Aloha Realty, Inc., BR-1 767 Kailua Road, Rm 4, Kailua	Ethel O. Min

DBA

Cliff Sayre Realty 33 Oneawa St., Kailua	Clifford A. Sayre
Another Day of Magic Realty 1765 Ala Moana Blvd., Ste 1891	Lawrence J. Schwer
Marian Tsue, Broker 33 S. King St., Ste 219	Marian F. Tsue
Central Realty 159 Keawe St., Rm 6, Hilo	Yoshinori Nakamura

Upon motion, the license processing of the above as tentatively authorized by the Licensing Administrator was approved with exception of Kazuo Totoki, Ltd., and Ala Kai Realty, Inc., BR-1.

The Executive Secretary was directed to determine the license status of Kazuo Totoki and the business hours of Ala Kai Realty, Ltd., BR-1.

G. L. Theole Company, Ltd. (Questionable name)

The Executive Secretary reported that real estate broker application had been received from G. L. Theole Company, Ltd., a corporation engaged in the business of mortgage brokerage since September 1, 1968. Question was raised as to whether the corporate name is acceptable to the Commission although G. L. Theole is not a licensed real estate broker.

Upon motion, the Commission decided that the name was not acceptable on the basis of G. L. Theole not being a licensed real estate broker.

Miscellaneous: Results of February 1971 Real Estate Examination

A list of successful candidates for the February 1971 real estate examination was presented to the Commission.

Upon motion, the Commission approved the list and directed that a copy of the list be made a part of these minutes.

Letters Received Pertaining to the February 1971 Real Estate Examination

Upon motion, the Commission directed the Executive Secretary to forward all letters pertaining to the February 1971 real estate examination to the Director of Regulatory Agencies for response.

Inquiry from Jon T. Willers dba Mauna Kea Realty

The Commission reviewed Jon T. Willers letter of March 25, 1971 requesting the Commission's opinion as to whether or not a branch office license is required in setting up a window or alcove type display in commercial buildings or centers with direct telephone lines to the broker's office.

Upon motion, the Commission deferred action on this matter, until the Executive Secretary can determine where Willers plan to place his displays.

Request for Audience from Aaron M. Chaney

Aaron M. Chaney's letter of April 23, 1971 requesting for an audience with the Commission to discuss the matter of rentals of condominium and cooperative apartments was considered by the Commission. The Executive Secretary was directed to place the matter on the agenda for the next meeting and to advise Chaney of the approximate time for his audience.

1971 Legislation

The Chair made a brief status report of bills introduced by the Commission.

Examination Review Board

The Chair appointed the following to serve on the Examination Review Board for the development of future real estate examinations:

Douglas R. Sodetani, Chairman	Dick H. Okaji
Herbert S. Isonaga	Dr. Edward Laitila
William H. C. Young	Mary Savio

Application and Examination Fee Policies

The following guidelines and policies have been established by the Commission on application for real estate license:

1. A fee of \$25, which includes \$10 application and \$15 examination fees, shall be submitted together with all initial application for salesman and broker license.
2. Examination fee of \$15 shall be refunded upon written request of the applicant when application has been rejected.
3. An applicant denied admission to examination and refunded examination fee of \$15 who decides to reapply within 3-examination period shall submit letter requesting reconsideration and remit \$15 examination fee. (If application is made after 3-examination period, a new application with \$25 fee must be filed.)
4. Initial application will be valid for 3 consecutive examinations; applicants shall file re-examination application and remit only \$15 examination fee for subsequent 2nd and 3rd examination. Thereafter a new application and a fee of \$25 must be filed.
5. Where applicant requests continuous postponements, a new application and \$10 application fee only shall be submitted after the 3rd consecutive request for extension.
6. An applicant who was denied admission to examination prior to April 16, 1971 (when fees were increased) need not remit additional fee but shall submit letter requesting reconsideration.

Date of Next Meeting:

Thursday, May 27, 1971, at 1:00 p.m.

Adjournment:

There being no further business, the meeting was adjourned at 5:10 p.m.

Recorded by:



YUKIO HIGUCHI
Executive Secretary

YH:va
5/18/71